

1-1 By: King of Taylor (Senate Sponsor - Duncan) H.B. No. 2118  
 1-2 (In the Senate - Received from the House May 9, 2013;  
 1-3 May 9, 2013, read first time and referred to Committee on  
 1-4 Intergovernmental Relations; May 16, 2013, reported favorably by  
 1-5 the following vote: Yeas 4, Nays 0; May 16, 2013, sent to printer.)

1-6 COMMITTEE VOTE

|              | Yea | Nay | Absent | PNV |
|--------------|-----|-----|--------|-----|
| 1-7 Hinojosa | X   |     |        |     |
| 1-8 Nichols  |     |     | X      |     |
| 1-9 Garcia   | X   |     |        |     |
| 1-10 Paxton  | X   |     |        |     |
| 1-11 Taylor  | X   |     |        |     |

1-13 A BILL TO BE ENTITLED  
 1-14 AN ACT

1-15 relating to procedures for the dissolution of the Hamlin Hospital  
 1-16 District; authorizing the imposition of a tax.

1-17 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

1-18 SECTION 1. Chapter 1037, Special District Local Laws Code,  
 1-19 is amended by adding Subchapter G to read as follows:

1-20 SUBCHAPTER G. DISSOLUTION

1-21 Sec. 1037.301. DISSOLUTION; ELECTION. (a) The district  
 1-22 may be dissolved only on approval of a majority of the district  
 1-23 voters voting in an election held for that purpose.

1-24 (b) The board may order an election on the question of  
 1-25 dissolving the district and disposing of the district's assets and  
 1-26 obligations.

1-27 (c) The board shall order an election if the board receives  
 1-28 a petition requesting an election that is signed by at least 15  
 1-29 percent of the registered voters in the district.

1-30 (d) The election must be ordered in accordance with Section  
 1-31 3.005, Election Code. The order calling the election must state:

1-32 (1) the nature of the election, including the  
 1-33 proposition to appear on the ballot;

1-34 (2) the date of the election;

1-35 (3) the hours during which the polls will be open; and

1-36 (4) the location of the polling places.

1-37 Sec. 1037.302. NOTICE OF ELECTION. (a) The board shall  
 1-38 give notice of an election under this subchapter by publishing once  
 1-39 a week for two consecutive weeks a substantial copy of the election  
 1-40 order in a newspaper with general circulation in the district.

1-41 (b) The first publication of the notice must appear not  
 1-42 later than the 35th day before the date set for the election.

1-43 Sec. 1037.303. BALLOT. The ballot for an election under  
 1-44 this subchapter must be printed to permit voting for or against the  
 1-45 proposition: "The dissolution of the Hamlin Hospital District."

1-46 Sec. 1037.304. ELECTION RESULTS. (a) If a majority of the  
 1-47 votes in an election under this subchapter favor dissolution, the  
 1-48 board shall find that the district is dissolved.

1-49 (b) If a majority of the votes in the election do not favor  
 1-50 dissolution, the board shall continue to administer the district  
 1-51 and another election on the question of dissolution may not be held  
 1-52 before the first anniversary of the date of the most recent election  
 1-53 to dissolve the district.

1-54 Sec. 1037.305. TRANSFER, SALE, OR ADMINISTRATION OF ASSETS.

1-55 (a) If a majority of the votes in an election held under this  
 1-56 subchapter favor dissolution, the board shall:

1-57 (1) transfer the land, buildings, improvements,  
 1-58 equipment, and other assets that belong to the district to Jones  
 1-59 County or another governmental entity in Jones County;

1-60 (2) sell the assets and liabilities to another person;

1-61 or

2-1 (3) administer the property, assets, and debts until  
2-2 all money has been disposed of and all district debts have been paid  
2-3 or settled.

2-4 (b) If the board makes the transfer under Subsection (a)(1),  
2-5 the county or entity assumes all debts and obligations of the  
2-6 district at the time of the transfer, and the district is dissolved.

2-7 (c) If Subsections (a)(1) and (2) do not apply and the board  
2-8 administers the property, assets, and debts of the district under  
2-9 Subsection (a)(3), the district is dissolved when all money has  
2-10 been disposed of and all district debts have been paid or settled.

2-11 Sec. 1037.306. SALE OR TRANSFER OF ASSETS AND LIABILITIES.

2-12 (a) The dissolution of the district and the sale or transfer of the  
2-13 district's assets and liabilities to another person may not  
2-14 contravene a trust indenture or bond resolution relating to the  
2-15 district's outstanding bonds. The dissolution and sale or  
2-16 transfer does not diminish or impair the rights of a holder of an  
2-17 outstanding bond, warrant, or other obligation of the district.

2-18 (b) The sale or transfer of the district's assets and  
2-19 liabilities must satisfy the debt and bond obligations of the  
2-20 district in a manner that protects the interests of district  
2-21 residents, including the residents' collective property rights in  
2-22 the district's assets.

2-23 (c) The district may not transfer or dispose of the  
2-24 district's assets except for due compensation unless:

2-25 (1) the transfer is made to another governmental  
2-26 entity that serves the district; and

2-27 (2) the transferred assets are to be used for the  
2-28 benefit of the district's residents.

2-29 Sec. 1037.307. IMPOSITION OF TAX AND RETURN OF SURPLUS

2-30 TAXES. (a) After the board finds that the district is dissolved,  
2-31 the board shall:

2-32 (1) determine the debt owed by the district; and

2-33 (2) impose on the property included in the district's  
2-34 tax rolls a tax that is in proportion of the debt to the property  
2-35 value.

2-36 (b) On the payment of all outstanding debts and obligations  
2-37 of the district, the board shall order the secretary to return to  
2-38 each district taxpayer the taxpayer's pro rata share of all unused  
2-39 tax money.

2-40 (c) A taxpayer may request that the taxpayer's share of  
2-41 surplus tax money be credited to the taxpayer's county taxes. If a  
2-42 taxpayer requests the credit, the board shall direct the secretary  
2-43 to transmit the money to the county tax assessor-collector.

2-44 Sec. 1037.308. REPORT; DISSOLUTION ORDER. (a) After the  
2-45 district has paid all district debts and has disposed of all  
2-46 district money and other assets as prescribed by this subchapter,  
2-47 the board shall file a written report with the Commissioners Court  
2-48 of Jones County summarizing the board's actions in dissolving the  
2-49 district.

2-50 (b) Not later than the 10th day after the date the  
2-51 Commissioners Court of Jones County receives the report and  
2-52 determines that the requirements of this subchapter have been  
2-53 fulfilled, the commissioners court shall enter an order dissolving  
2-54 the district and releasing the board from any further duty or  
2-55 obligation.

2-56 SECTION 2. This Act takes effect September 1, 2013.

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